# Before the **FEDERAL COMUNICATIONS COMMISSION**

Washington, DC 20554

In the Matter of Annual Assessment of	)	
the Status of Competition in the Market for the Delivery of Video Programming	)	MB Docket No. 06-189
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#### COMMENTS OF MT. HOOD CABLE REGULATORY COMMISSION

These Comments are filed by the Mt. Hood Cable regulatory Commission in support of the comments filed by the National Association of Telecommunications Officers and Advisors ("NATOA"), the National League of Cities ("NLC"), the National Association of Counties ("NACo"), the United States Conference of Mayors ("USCM"), and other national municipal organizations. Like the national municipal organizations, the MHCRC believes that local governments want and encourage competition in the video programming marketplace. The local franchising process works and helps to ensure that all residents share in the benefits that increased competition brings to a community.

Our community previously filed initial and reply Comments in the franchising proceeding, MB Docket No. 05-311, the Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992. Because this Notice of Inquiry raises many of the same issues that were addressed by our earlier Comments, we are attaching a copy of those Comments for inclusion in this proceeding.

#### I. Wireline Video Competition in Our Community

The MHCRC was created in 1992 when the City of Portland, Oregon agreed to consolidate its cable regulatory program and staffing with the already-existent (since 1982) joint cable regulatory program of Multnomah County and the cities of Gresham, Troutdale, Fairview, and Wood Village, Oregon. ("collectively, with Portland, the "MHCRC Jurisdictions") The MHCRC represents six Jurisdictions with a collective population of 692,825, including cities as large as Portland, Oregon (population 555,650) and as small as Wood Village, Oregon (population 2,880). Our current franchised cable provider is Comcast. Comcast operates under the provisions of three separate but substantially similar franchise agreements which provide for cable services throughout the urban areas of virtually all of Multnomah County, Oregon. Approximately 147,715 households subscribe to cable.

Since the filing of our earlier comments, our communities continue to be served by only one wireline cable provider. Our communities have satellite available. Approximately 27 percent of the households subscribe to video programming over satellite. While Verizon is building fiber in several of the MHCRC's jurisdictions

(Gresham, Fairview and Troutdale) it has refused to negotiate collectively with multiple Jurisdictions, and refused to begin video franchise negotiations despite multiple invitations to do so by ready-and-willing LFAs. In connection with Verizon's announced upgrade plans in Verizon's service area in MHCRC territory (announced to MHCRC-Verizon Jurisdictions in November 2005), the MHCRC-Verizon Jurisdictions immediately made plans to negotiate, promptly and collectively, all of the necessary authorizations for Verizon's upgraded system, including any and all necessary authorizations to provide cable television services. Verizon rejected the MHCRC Jurisdictions' request for prompt, collective negotiations. Instead, Verizon indicated that it was only willing to deal with individual MHCRC Jurisdictions. In essence, Verizon's position favors multiple, separate, more time-consuming negotiations instead of one streamlined process. Moreover, at the same time, Verizon has rejected out of hand the MHCRC Jurisdictions' request to begin cable franchising negotiations, even though Verizon concedes that cable services will eventually be offered on its upgraded network.

# <u>II Franchise Applications by Competitive Cable Providers in MHCRC Franchise Areas</u>

The MHCRC and its Jurisdictions were among the first in the nation to aggressively pursue facilities-based cable and broadband competition. The MHCRC and its Jurisdictions have been consistently active in seeking competitive applicants willing to bring real competition to bear in otherwise monopoly cable markets. The record of the MHCRC's actions toward this goal during a period of the nation's recent high tech "boom" is instructive. During this period, the MHCRC had high hopes of attracting one or more providers willing to construct a facilities-based, competitive cable and broadband system in our area.

The MHCRC, it's Jurisdictions, and the competitive franchise applicants have thus far been unsuccessful in the effort to establish facilities-based competition here. It is important to be precise about the main reasons for this lack of current competition. It was not through any failure or obstacles in the local MHCRC-administered franchising processes, but primarily due to the downturn in investment capital arising from the collapse of the high tech sector. The key elements of each competitive franchise, and the timeline in which they were negotiated, are instructive and ---it is hoped—helpful to the FCC as the FCC considers both the willingness and ability of local government franchise authorities to negotiate competitive cable and broadband franchise authorizations. A summary of the key elements and process milestones of the competitive franchises we negotiated successfully with the four original applicants (WOW, RCN, OAB, WIN) would include the following:

• Although a public hearing process to gather public input preceded the negotiation process, and formal approval timelines by Jurisdiction elected bodies followed the negotiation process, all substantive franchise provisions were negotiated successfully and concurrently by MHCRC staff, on behalf of all six MHCRC Jurisdictions with **four** competitive broadband/cable overbuilders and mutually agreeable franchises were developed *in little more than 90 days* (April/May/June 2000);

- Each company agreed to build out its system in phases within five years to meet the equivalent density requirement already applicable to the incumbent cable operator; no redlining was authorized, the service area was consistent with the existing cable operator's service area throughout all MHCRC territory, and the five-year buildout requirement was considered attainable under the financing and penetration projections, and financing assumptions of the applicants at the time;
- The final franchise agreements pursued by the two competitive providers who elected to stay in the market (RCN and Western Integrated Networks or "WIN") were approved unanimously by all MHCRC Jurisdictions, and benefited from the public input and cooperation of all parties involved;
- The two franchise applicants who withdrew (Wide Open West and Open Access Broadband) after completing franchise negotiations did so for reasons unrelated to the MHCRC franchising process or the franchise requirements developed here;
- As a result of the prompt and successful conclusion to negotiations, all MHCRC Jurisdictions were ready and able to issue necessary permits, including temporary construction permits where necessary, so construction could begin without delay for any franchisee who so requested;
- If successful buildout had occurred, new competition would have been provided in the marketplace not only for the incumbent cable operator, but for the incumbent telephone companies as well (Qwest and Verizon are the dominant ILEC's in MHCRC territory);
- PEG cable access, and I-net requirements in each franchise were considered equivalent to the requirements already provided in the incumbent cable franchises; (the MHCRC was never challenged on this point by the incumbent cable operator);
- In each case, the franchise term was established at 10 years, with a 3-year extension if construction was completed on time;
- Open access was planned: all applicants committed to opening lines to third parties;
- Technology was planned as state of the art for its time (2000), 860 MHz, 100+ channels, services including video, plus high speed broadband Internet access and competitive telephony.

#### III. Regulatory, Environmental, and Financial Effects on Competition

We value video competition and want new providers to come into our community so that all of our residents may benefit from the advances being made in the telecommunications arena. The local cable franchising process functions well within the MHCRC jurisdictions. It ensures that local cable operators are allowed access to the rights-of- way in a fair and evenhanded manner, that other users of the rights-of-way are not unduly inconvenienced, and that uses of the rights-of-way, including maintenance and upgrade of facilities, are undertaken in a manner which is in accordance with local requirements. Local cable franchising also ensures that out local community's specific needs are met and that local customers are protected. The entrance of new video

competitors to the marketplace may be influenced by a number of regulatory, environmental, and financial factors beyond the control of our community.

#### Conclusion

The local cable franchising process functions well in the MHCRC jurisdictions and it ensures that our community's specific needs are met and that local customers are protected. We applaud efforts to increase competition in the video programming marketplace. But the local cable franchising process should not be used as an excuse for the failure of new cable service providers to enter into the marketplace.

Respectfully submitted,

MT. HOOD CABLE REGULATORY COMMISSION Representing Multnomah County and the Cities of Gresham, Fairview, Portland, Troutdale and Wood Village, Oregon

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cc: MHCRC members & MHCRC Jurisdiction Elected Officials MHCRC Jurisdiction Legal Counsels Oregon Congressional Delegation NATOA, info@natoa.org John Norton, John.Norton@fcc.gov Andrew Long, Andrew.Long@fcc.gov Attachment

# Before the **FEDERAL COMUNICATIONS COMMISSION**

Washington, DC 20554

In the Matter of	)	
Implementation of Section 621(a)(1) of	)	
the Cable Communications Policy Act of 1984	)	MB Docket No. 05-311
as amended by the Cable Television Consumer	)	
Protection and Competition Act of 1992	)	
	_)	

# COMMENTS OF MT. HOOD CABLE REGULATORY COMMISSION (MHCRC) representing Multnomah County and the Cities of Gresham, Fairview, Portland, Troutdale and Wood Village, Oregon

These Comments are filed by the Mt. Hood Cable Regulatory Commission ("MHCRC"). The MHCRC was created in 1992 when the City of Portland, Oregon agreed to consolidate its cable regulatory program and staffing with the already-existent (since 1982) joint cable regulatory program of Multnomah County and the cities of Gresham, Troutdale, Fairview, and Wood Village, Oregon. ("collectively, with Portland, the "MHCRC Jurisdictions")<sup>1</sup>.

The MHCRC supports the comments filed by the National Association of Telecommunications Officers and Advisors ("NATOA"). Like NATOA, the MHCRC knows that local governments are capable of issuing an appropriate local franchise for new entrants into the video services field on a timely basis, just as they have for established cable services providers. The MHCRC has first hand knowledge in this area, as the MHCRC developed such franchises for the MHCRC Jurisdictions in the recent past. To document our experience in this area, and our responses to this NPRM, we wish to inform the Commission about the facts of video franchising in our community.

#### I. Cable Franchising in MHCRC Communities

The MHCRC represents six MHCRC Jurisdictions with a collective population of 692,825, including cities as large as Portland, Oregon (population 555,650) and as small as Wood Village, Oregon (population 2,880)<sup>2</sup>. Our current franchised cable provider is Comcast. Comcast operates under the provisions of three separate but substantially similar franchise agreements which provide for cable services throughout the urban areas of virtually all of Multnomah County, Oregon. MHCRC Jurisdictions have many years of collective experience negotiating cable franchises. The City of Portland negotiated cable franchises covering limited geographic areas on Portland's hilly Westside since the 1960's, and issued citywide franchise

<sup>&</sup>lt;sup>1</sup> The purposes, policies and operations of the MHCRC are discussed in more detail in Section 13, *infra*. "The MHCRC and the Franchising Process.

<sup>&</sup>lt;sup>2</sup> Certified estimates as of July 1, 2005, per Population Research Center, Portland State University, <a href="http://www.pdx.edu/media/p/r/prc">http://www.pdx.edu/media/p/r/prc</a> 2005 Cert Estimates.xls (visited January 27, 2006).

agreements beginning in 1981. Multnomah County and the cities of Fairview Gresham, Troutdale and Wood Village issued joint cable franchise agreements in 1983. Collectively, the MHCRC Jurisdictions have more than twenty years of experience in developing, negotiating, and administering cable franchise agreements.

# II. Current MHCRC-Administered Cable Franchises

On behalf of the MHCRC Jurisdictions, the MHCRC administers the provisions of the following three cable franchise agreements, all of which were are presently operated by Comcast, the successor to AT&T Broadband, following a duly-authorized transfer of ownership in 2002. The MHCRC-administered franchises (listed below) are all available through the specified links on the MHCRC website at www.mhcrc.org.

- 1. *East Portland cable franchise agreement* (effective February 2, 1997, expires December 31, 2010). This franchise includes all areas of the City of Portland east of the Willamette River and the Linnton area west of the Willamette River. Linnton is a mixed residential/industrial neighborhood in northwest Portland that is geographically isolated from other residential areas of the City west of the Willamette River. The franchise is posted on the web at <a href="http://www.mhcrc.org/docs/FranchAgree-EastPortlandFran.pdf">http://www.mhcrc.org/docs/FranchAgree-EastPortlandFran.pdf</a>
- 2. West Portland cable franchise agreement (effective July 1, 1993, amended July 7, 1998, expires December 31, 2007 unless otherwise extended to December 31, 2010). This franchise includes all areas of the City of Portland west of the Willamette River, except the Linnton area. The franchise is posted on the web at <a href="http://www.mhcrc.org/docs/FranchAgree-WestPortlandFran.pdf">http://www.mhcrc.org/docs/FranchAgree-WestPortlandFran.pdf</a>
- 3. *East Multnomah County franchise agreement* (effective May 23, 1998, expires December 31, 2010). This franchise includes the Cities of Fairview, Gresham, Troutdale, Wood Village, and unincorporated portions of Multnomah County. The franchise is posted on the web at <a href="http://www.mhcrc.org/docs/FranchAgree-MultCoFran.pdf">http://www.mhcrc.org/docs/FranchAgree-MultCoFran.pdf</a>

Under the statutory timeline laid out in the Cable Act, the cable operator has a 6-month window beginning 36 months before the expiration of the franchise in which to request a renewal under the Act. As a result, although we are considering an extension of the West Portland cable franchise, at this time we are not currently negotiating a franchise renewal with Comcast, the incumbent provider.

# III. Franchise Fee Requirements under MHCRC Cable Franchises

Our franchises uniformly require the cable operator to pay a franchise fee to the MHCRC Jurisdictions in the amount of five percent (5%) of the cable operator's revenues. The revenues for franchise fee purposes are calculated based on the gross revenues of the operator, in accordance with the Cable Act, and the applicable provisions of MHCRC-administered cable franchise agreements.

### IV. PEG Access Channels and Support

The MHCRC-administered cable franchises also require the cable operator to provide capacity for public, educational, and/or governmental ("PEG") access channels on the cable system. MHCRC-administered cable franchises currently provide for eight analog downstream video channels devoted to PEG access; of this total, under current PEG channel allocations, two channels are devoted to Educational access; one channel is devoted to Government access, and five channels are devoted to Public access. Under our present administrative structure, the Public, Educational and Government access channels are programmed and operated under the pertinent franchise agreements as follows:

# A. PEG providers/services under East and West Portland cable franchise agreements:

- 1. **Portland Community Media** ("PCM") (<u>www.pcmtv.org</u>/) is the designated access provider responsible for programming and operating the Public and Government access channels provided under the East and West Portland cable franchises. In providing Public and Governmental Access programs and services throughout the City of Portland, PCM:
- Programs six cable channels 15 hours a day, seven days a week with local, state, and national noncommercial programs (Portland Public Schools and Portland Community College each program one channel for a total of 8 PEG channels);
- Carries gavel to gavel coverage of the Portland City Council, the Multnomah County Board, Metro Council, and Oregon State Legislature when it is in session;
- Transmits programming on Channel 11 (the Community Access Network) that through interconnection and cooperation with adjacent franchising authorities and cable systems reaches more than 370,000 cable subscribers in five counties in two states -Multnomah, Washington, Columbia, and Clackamas counties in Oregon, and Clark County Washington;
- Carries special satellite delivered national programming of interest to the community such as *Classic Arts Showcase*, *Democracy NOW!*, international programs in numerous native languages, and NASA;
- Covers significant local events and issues of community concern with depth and programming hours unmatched by commercial media Recent programs of note include coverage of two Town Hall Meetings concerning the Kendra James shooting; Vanport: The Survivors' Tale; Town Hall on the Future of Media featuring two FCC Commissioners; Outside In: On the Edge; and the Mt.Tabor Independent Review Panel.;
- Provides hands-on Media Education classes in digital video camera production, videotape editing, computer-based editing, multi-camera studio production and multicamera mobile van production;
- In cooperation with Portland Public Schools, conducts specialized video training projects for individual schools and the Portland Public School District;
- Teaches Web design and Flash animation;
- Provides ongoing training in media literacy
- Hosts and supports *Adventures in Television* www.adventuresintv.org, an annual summer media camp for 50 at-risk youth from the Boys & Girls Clubs of Portland. *Adventures* is

- an intensive hands-on educational experience to learn valuable technical and job skills while producing public service announcements for area nonprofit;
- During the last six years PCM has trained more than 2,850 people in some form of video and media production.
- Provides, at no charge, access to and use of a state-of-the-art television production facility, including: portable video equipment and editing facilities, two multi-camera television studios for live or videotaped programs, a five camera remote production van for live and videotaped programming,
- PCM allows citizens to participate in government by providing a window on the workings of local and state elected officials.
- In 2004-05, the community used PCM's facility and equipment for more than 102,000 hours of use.
  - 2. **Portland Public Schools Television Services** (PPS-TVS) is designated to program and operate one Educational access channel in the City of Portland. <a href="http://159.191.14.140/.docs/pg/10290">http://159.191.14.140/.docs/pg/10290</a> In providing Educational access services in Portland, PPS-TVS: provides school staff and students with a wide range of video related services including:
- Production services: Educational videos, scriptwriting, photography, graphics and editing.
- Programming for Cable Channel 28: PPS Board of Education Meetings, school sports and special district events.
- Support for Distance Learning classrooms
- Videotape documentation & duplication for cable channel use;
- Camera & editing workshops;
- PPS Bulletin Board: District announcements broadcast on Channel 28:
- Videotaping services: school events, speakers and in-service sessions;
- Satellite teleconferences and OPEN Access 21 network;
- Studio facilities for television broadcasts;
- Student internships;
- Elementary second language replay (These programs break new ground in distance learning education and are specifically designed for elementary students to begin developing second language proficiency to meet Oregon state standards);
- Teleconferencing, enabling PPS students, faculty and personnel to confer with teachers or administrators from distant part of the state;
  - 3. **Portland Community College (PCC)** <a href="http://www.distance.pcc.edw/about/">http://www.distance.pcc.edw/about/</a> operates the second Educational access channel under the East and West Portland cable franchises. In providing Educational Access services, PCC specifically provides distance education in the form of tele-courses on its Portland Educational Access Channel. PCC's Distance Learning program:
- Enables PCC students/cable subscribers to take classes to earn a degree or professional certificate, or to explore personal interests.

- Provides tele-courses on the cable system that can be completed without meeting in a
  traditional on-campus classroom. All of the courses offered are college credit classes.
  Components include campus visits with instructors, a syllabus, textbooks, study guides
  and cable television viewing. Most courses require students to come on campus for the
  course orientation, a mid-term and final exam.
- PCC tele-courses are academically equivalent to on-campus courses and are coordinated by PCC faculty. A distance learner can enroll in an individual course and earn college credit toward an Associates or Transfer degree.
- PCC tele-courses give students greater freedom of scheduling,
- Some courses are televised live and enrolled students can ask questions by telephone from home during the live cablecast.

# B. PEG Provider and services under East Multnomah cable franchise agreement:

*Multnomah Community Television* ("MCTV") (<u>www.mctv.org</u>/) is designated to program and operate all of the Public, Educational and Government access channels provided under the East Multnomah cable franchise, which serves five MHCRC Jurisdictions. In carrying out its responsibilities, MCTV:

- Programs eight PEG Access cable channels in the east Multnomah franchise area;
- Offers TV production workshops at MCTV's facility, formerly located on the campus of Mt. Hood Community College in Gresham, Oregon, and recently relocated to a new site in central Gresham near government and school offices;
- Conducts ongoing outreach to community organizations and non-profits in its service area, as well as individuals with community issues and problems to address through video
- Generates programming by and for the east Multnomah community, about community issues and concerns seldom addressed or covered by Portland-dominated mass media;
- Produces community programming designed to showcase different aspects of the community, and brings citizens and community leaders together to discuss significant local issues, to exchange information, or to share different cultures and ideas;
- Offers video equipment access to the community for the purpose of non-commercial television production;
- Provides live programming seen regularly on MCTV's channels including: Gresham and Troutdale City Council meetings, all Multnomah County Commissioners meetings, Troutdale Planning Commission meetings, Gresham Planning Commission and Fairview Planning Commission meetings and hearings;
- Works with schools, libraries and non-profit organizations to create educational programming;
- Offers video production classes to the general public and special groups every month; and
- Provides the community with access to a fully equipped TV studio, mobile production equipment, editing booths, and video cameras.

# C. PEG financial requirements negotiated with the cable operator and required by the MHCRC-administered cable franchises

Following community ascertainment and renewal negotiations with the cable incumbents, the three renewed MHCRC-administered cable franchises agreements (cited above) contain common requirements for the financial support of PEG channels and facilities, as follows:

- Three percent (3%) of operator gross revenues above and beyond the five percent franchise fee for the support of PEG access capital costs, allocated as follows:
  - ➤ One percent to defray PEG corporation (PCM and MCTV) capital expenditures in approved budgets;
  - ➤ One percent as a dedicated PEG Access Capital Development Fund granted to PEG Institutions for Capital projects (See Exhibit A³);
  - ➤ One percent (1%) expended by the cable operator to support PEG Institutional Network Capital requirements and extensions; (See I-net discussion, below, Section 5)
- Provision of eight downstream analog PEG video channels with channel assignments as specified in the franchise (provision of a ninth PEG channel can be triggered under certain criteria);
- PEG channels must be carried on the lowest service tier available to all subscribers;
- Certain live origination points must be provided to enable transmission capability for PEG Providers to originate discrete, live Programming from certain location sin the franchise area(s);
- Interconnection and narrowcast capabilities as specified in the franchise agreements;
- Digital transition provisions for PEG channels and capacity are included so that PEG channels and PEG providers are transitioned seamlessly when the cable system converts to digital transmission formats.

### V. Institutional Network ("I-Net") Requirements

The cable Institutional Network (I-Net) negotiated and built under MHCRC-administered cable franchises, is an advanced, fiber based communications network connecting government, educational and community institutions. The I-Net is capable of carrying video, data and voice applications.

Initial MHCRC franchise requirements established a baseline vision for the I-net, which was refined and developed through subsequent negotiations with the cable operator. As a result of franchise requirements and successful negotiations, MHCRC Jurisdictions were able to assure that capacity was set aside and activated on the cable system to create a significant, integrated institutional network ("I-Net") with the following specifications:

- 12 fiber strand core ring with six hubs;
- Six fiber, coax cable into more than 400 sites throughout the franchise area;
- Electronics for HFC and Gigabit Ethernet services.

<sup>&</sup>lt;sup>3</sup> Exhibit A attached to these Comments lists PEG grant recipients from the MHCRC Grant fund, 2003-2005.

By agreement pursuant to franchise provisions, the cable operator constructed the I-Net during its upgrade of the cable system. I-Net construction costs were charged to an I-Net fund on a direct, incremental cost basis to the cable system upgrade. Total cost for I-Net initial construction and activation is repaid under the cable franchise through the one percent of gross revenues fund (discussed above) retained by the cable operator and expended to support PEG Institutional Network Capital requirements and extensions.

The I-Net represents approximately \$6 million in initial network capital assets with approximately \$4 million in additional funding for network upgrades through 2010. The I-Net is activated and used at over 270 public facilities representing over 20 public agencies throughout Multnomah County (including the Cities of Fairview, Gresham, Portland, Troutdale, Wood Village, the County, libraries, K-12 schools, community colleges, universities, public access providers, courts, Tri-Met (the regional transit system) and Metro (the regional, elected government). The cable operator, under the franchise agreements, has agreed to provide network facilities, infrastructure, transport operations and maintenance for the I-Net.

Through interconnection with adjacent cable systems and government wide-area networks, the I-net assists in the provision of critical communications paths for, among other things, police data, traffic signals, distance learning, and community programming.

Multiple activated I-Net sites are currently located in the City of Gresham, the City of Portland, and Multnomah County, along with sites for Portland Public Schools, the Multnomah Educational Service District (MESD), and. Mount Hood Community College. Each of these users has continued to add remote sites since it was initially connected to the I-NET. Portland Public Schools now has 89 of its schools connected together through the I-NET and Multnomah Educational Service District connects 72 schools using the I-NET.

For the schools, the I-Net provides at least two critical services. It connects all Portland Public Schools in one "net" and the majority of the East Multnomah County Schools (served by MESD) in another. The Portland Public Schools uses the transmission links to transport data, video and email communications. Some of its data transport applications include on-line state student testing, student and staff file sharing, access to a web based student information system with PPS schools, MESD and Clackamas Education Service District, financial systems, human resource systems, and Internet up/down loading for educational uses. In addition, the both PPS and MESD schools have a separate, non-INET link to the Internet through a downtown telecommunication center. That means that each school served by Portland Public Schools and Multnomah Educational Service District now has a direct, high speed link to the World Wide Web.

To replace I-Net services for the Portland Public Schools alone would cost the equivalent of seven teachers' salaries. MESD's chief technology officer has said that the services provided from INET interconnection to the City of Portland's own data transmission system (called IRNE) has increased the available communications bandwidth by over 4200%, using systems of substantially greater reliability than it had previously, all at a cost savings of 33%.

The City of Gresham (an MHCRC Jurisdiction) has connected all its Fire Stations to the I-Net. Multnomah County uses the I-Net to connect almost all its offices (over 60), including the jail, the court house, district attorney's office, social services, and public safety offices. In addition, all Multnomah County Library Branches are on the I-Net. Some I-Net sites are shared. For instance, Multnomah County has several social service agencies located in Portland Public Schools. Both the school and the Multnomah County social service offices can use the INET.

The MHCRC, in its role as advisors to local governments on cable and telecommunications matters, is proud to have worked closely both with private sector partners and government in developing a successful I-net. Here in MHCRC cable franchise areas, the MHCRC has through the I-Net developed a mutually beneficial partnership with our cable operator to construct and deploy this much-needed high-speed community network to connect our schools, libraries and local government buildings. Through the franchise and our negotiated agreement with Comcast, we are able to provide an interconnection of the I-Net network with Portland's Integrated Regional Network Enterprise (IRNE). By interconnecting the public and private networks we have saved significant taxpayer dollars. Instead of requiring Comcast to build a loop connecting the City of Portland's downtown buildings, the City paid for that portion. This allows our limited funds to reach more facilities throughout the County. Our networks allow schools and local governments (both of which are under extreme taxpayer pressure to reduce costs) to hold the line on costs while improving services by increasing bandwidth.

# VI. <u>Customer Service and Consumer Protection Requirements</u>

MHCRC cable franchises require the cable operator to abide by the cable customer service and consumer protection provisions duly adopted by the MHCRC Jurisdictions, and require that the cable operator's subscriber contracts not be inconsistent in any material sense with the adopted customer service and consumer protection obligations. Pursuant to these provisions and working from baseline customer service standards established by the Commission, the MHCRC Jurisdictions responded to comments received from our local citizens and cable subscribers after a public process by adopting a uniform consumer protection and customer service policy that met and -- in response to local needs -- in some instances exceeded the Commission's standards by providing for a higher level of customer service and consumer protection in response to MHCRC community needs. Among other things, the MHCRC Jurisdictions' uniform standards provide that:

- ➤ Cable operator customer service centers must be adequately staffed and able to respond to subscribers and the public not less than 50 hours per week, with a minimum of nine hours per day on weekdays and five hours on weekends excluding legal holidays;
- ➤ The cable operator must maintain a local, toll-free or collect call telephone access line which must be available to its subscribers 24 hours a day, seven days a week;
- ➤ Under normal conditions, telephone answer time by a cable operator customer representative, including wait time, must not exceed thirty (30) seconds when the connection is made, and the cable operator must meet this standard ninety (90) percent of the time under, measured on a calendar quarterly basis;
- ➤ Under normal conditions, no cable customer should receive a busy signal more than three (3) percent of the time;

- > Standard installations must be accomplished within seven business days after an order has been placed;
- Subscribers must be notified in writing (upon installation), and at least annually thereafter, of certain basic information about the cable operator's rates, programming and policies, including (1) Products and services offered; (2) Prices and options for programming services and conditions of subscription to programming and other services; (3) Installation and service maintenance policies; (4) Instructions on how to use the cable service; (5) Channel positions programming carried on the system; and (6) Billing and complaint procedures, including the address and telephone number of the MHCRC office:
- ➤ Under normal conditions the cable operator must begin work on service interruptions promptly, and no later than 24 hours after the interruption becomes known. The cable operator must begin working on other service problems the next business day after notification of the service problem. The operator is required to meet this standard on average 95 percent of the time; and
- Bills are required to be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills must also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

In order to monitor and enforce these standards, the cable operator is required to file reports with the MHCRC on a quarterly basis containing quantitative information showing the operator's performance in meeting the MHCRC's customer service standard obligations.

In addition to requiring compliance with the MHCRC Jurisdictions' uniform consumer protection policy ordinances, the MHCRC franchises also contain specific provisions addressed to the following customer service/consumer protection concerns:

- ➤ Rate discrimination is prohibited. All cable operator rates and charges are required to be published and non-discriminatory as to all persons and organizations of similar classes, under similar circumstances and conditions. The cable operator is required to establish and assess similar rates and charges for all subscribers receiving similar services, regardless of race, color, religion, age, sex, marital or economic status, national origin, sexual orientation, physical or mental disability, income of the residents, or geographic location within the MHCRC franchise areas;
- ➤ The cable operator is limited in connection with imposing any form of downgrade or disconnect charges on subscribers;
- ➤ Written notice must be provided to the MHCRC (on behalf of MHCRC franchise authorities) and subscribers at least 30 days in advance of any increase in cable operator rates and charges.

# VII. <u>Universal Service (build-out/density) Requirements of Cable Franchises</u>

Current MHCRC-administered cable franchises, as well as predecessor cable franchises issued by the City of Portland and the east Multnomah jurisdictions in the 1980's, established universal service as a significant franchise requirement. The initial franchises of MHCRC

Jurisdictions required a build-out intended to ensure that cable service was extended to all subscribers in franchise urban areas under non-discriminatory rates and reasonable terms and conditions. Our franchises continue to support the policy of universal service by requiring the cable operator (in the east Portland and east Multnomah franchises) to extend cable service at standard, published rates to all subscribers qualifying for a "standard installation" within 60 days of a service request. A "Standard Installation" under the MHCRC East Portland and East Multnomah franchises is defined as:

"an installation of no more than 170 feet from the nearest point of access on the Cable System from which it is technically feasible and/or designed to serve the site, to the site's installation point, and which qualifies a Subscriber for installation at standard rates, provided that the number of homes per cable plant mile is at least twenty (20) residential Dwelling Units, as measured from any point on Grantee's existing Cable System."

East Multnomah franchise §3.60, East Portland franchise §3.58

In the West Portland franchise, although a slightly different formula is used and a high-construction-cost portion of the franchise area (in the Portland downtown core) is separately provided to allow for a more measured approach reflecting higher construction costs. The overall goal of universal service is nevertheless retained. The West Portland franchise defines a "standard installation", requiring installation at published rates within 60 days of a subscriber request, as any installation "consisting of a 200 foot drop connecting to an outside wall for Residential Subscribers and a 200 foot drop for Commercial Subscribers".

For subscribers in isolated areas requesting services outside these parameters, the franchises provide for a cost-sharing formula. In the East Portland and East Multnomah franchises, the cost sharing formula is set forth as follows:

Isolated Installations. In general, Grantee shall have no obligation to provide service necessitating a line extension beyond a Standard Installation unless the Person requesting service contractually agrees to pay construction costs based on the following formula:

(A) Grantee shall provide service at its Standard Installation charge for the initial one-hundred and seventy (170) feet of extension. (B) Grantee and the Subscriber shall share equally the actual cost of the extension for the distance over one-hundred and seventy (170) feet but less than five hundred (500) feet. (C)The Subscriber shall pay all costs for the extension for the distance greater than 500 feet

East Multnomah franchise §10.3, East Portland franchise §10.3

In the West Portland franchise, line extension costs are addressed pursuant to a cost formula instead of a distance formula:

Incremental Line Extension Costs. Grantee shall have no obligation to provide Cable Service causing direct and incremental line extension costs in excess of 50 times the standard monthly charge for Standard Cable Service, unless the Person requesting service contractually agrees to pay such excess costs, based on the following formula: (1) Grantee shall provide service at its standard line extension charge, if the direct and incremental line extension costs are equal to or less than 50 times the standard monthly charge for

Standard Cable Service. (2) In all other cases, the Subscriber shall pay the standard line extension charge plus all direct and incremental line extension costs in excess of 50 times the standard monthly charge for Standard Cable Service.

West Portland cable franchise, §8.3(B)

The evidence is that the MHCRC Jurisdictions' universal service policy and associated franchise requirements have been successful in ensuring that high quality cable services are available to all households in MHCRC cable franchise areas. As a result of the universal service franchise requirements, cable services are available to 100% of the homes in MHCRC franchise urban areas. Thus, the universal service policy for cable extension within all three cable franchise areas has been a marked success and a key factor in ensuring that all households in MHCRC franchise areas benefit from access to the services offered over the cable system here.

### VIII. <u>Upgrade of Cable System</u>

As described above, the predecessor franchises to the current (renewed) MHCRC cable franchises set forth the first requirements and schedule for the initial build out of the cable system in the franchise areas. In the current MHCRC cable franchises, in order to ensure that our residents have access to current technologies and that the cable system responds to ascertained community needs, which include access to current cable technology, our cable franchises set forth baseline cable system upgrade requirements.

The cable system upgrade negotiated by the MHCRC with the cable operator has been successfully completed throughout all MHCRC franchise areas. Baseline franchise requirements have been met, and in many instances exceeded. The upgrade of the cable system in MHCRC areas was accomplished over a period 24-36 months (1999-2001). The upgrade process included frequent and ongoing consultation and negotiation where necessary between and among the cable operator and MHCRC representatives, particularly with respect to design, construction, and activation of the upgraded PEG and I-net portions of the upgraded system. The cable system in MHCRC franchise areas, as upgraded, has met and in many instances exceeded the following minimum franchise requirements pertaining to system upgrade:

- ➤ The incorporation of hybrid fiber/coaxial cable design, with fiber constructed to fiber nodes serving designated portions of the franchise area;
- Activated minimum downstream channel capacity of 550 MHz (providing minimum channel capacity of at least 75 analog video channels).
- activated upstream digital channel capacity of 35 MHz accessible from any fiber node, any residential subscriber premise, any PEG Access Corporation facility, and any PEG Institution in the franchise areas;
- Throughout the upgrade process, the cable operator consulted with the MHCRC and MHCRC jurisdictions on matters including the overall design of the upgraded cable system, the fiber count in fiber cable, the placement of distribution hubs and fiber nodes, the technology for switching, routing, and frequency re-use, and the technical elements necessary to meet the PEG Access and I-Net requirements of the franchises.

Although not a requirement of the MHCRC franchise agreements, the upgrade also set the stage for, and enabled the cable operator to begin offering high speed cable modem Internet access (now available to subscribers throughout MHCRC franchise areas), the transition to digital platforms and packages, including "on demand" packages presently being offered in MHCRC franchise areas by Comcast, and (most recently) the development and offering of digital telephony service by Comcast throughout the MHCRC franchise areas.

# IX. "Level Playing Field" or "Most Favored Nations" Provisions of MHCRC Cable Franchises

As our documentation (discussed below) of franchise applications by competitive market entrants reveals, the so-called "level-playing-field" issue has never been an obstacle to the ability of new market entrants to obtain competitive cable franchises in MHCRC territory. Only one MHCRC-administered franchise contains what may be described as a "level playing field" or "most favored nations" provision. The provision, originally included in the TCI franchise renewal in 1993 and set forth in Section 22.9 of the West Portland cable franchise, is as follows:

22.9 Comparability of other cable franchises. (A) If, after the effective date of this Franchise, the City enters into or authorizes a franchise, permit, license or other agreement of any kind with any Person other than Grantee to enter the Streets for the construction and operation of a Cable System providing Cable Services to Residential Subscribers within any part of Grantee's Franchise Area in which Grantee is actually providing Cable Services, the material provisions of such agreement shall be reasonably comparable to those contained in this Franchise, insofar as this does not conflict with applicable law. However, nothing in (this subsection) shall limit or prevent the City from issuing any franchise, permit, license or other agreement of any kind for all of Grantee's Franchise Area or any portion thereof, that provides for greater requirements or for a higher level of Cable Services to Subscribers, than that required of Grantee under this Franchise.

By way of background, it should be noted that this provision was negotiated and included in the original TCI franchise renewal in West Portland (1993) during a period when the cable franchises in the MHCRC areas were under separate ownership (TCI owned the West Portland cable franchise; Time Warner owned the east Portland and east Multnomah franchises). Subsequently (beginning in 1999) all the cable franchises in MHCRC areas came under common ownership, first by AT&T Broadband (1999), and later by Comcast (2002). This language was NOT included (nor requested by the cable operator) in the two subsequent franchise renewals (1996 and 1998) negotiated under MHCRC auspices, nor is it clear at this writing that this language would be requested by any party or agreed to in any future successor cable franchises.

<sup>&</sup>lt;sup>4</sup> This section of the MHCRC's comments is intended to address the Commission's specific questions about the impact of "level-playing-field" provisions in potentially discouraging competition. Paragraph 14, Notice Of Proposed Rulemaking, *In the Matter of Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992*, MB Docket No. 05-311 (released November 18, 2005) ("NPRM")

Nor was this provision raised as an obstacle or barrier to entry by any of the applicants for competitive cable and telecommunications franchises in MHCRC Jurisdictions in 1999-2000 (see discussion below).

# X. <u>Insurance/Bonding Requirements of MHCRC-Administered Cable Franchises</u>

Our cable franchises contain various insurance and bonding requirements that reflect local practices and the right-of-way management policies and preferences of the MHCRC Jurisdictions, and correspond with applicable Oregon state law. In virtually all instances, the cable franchise requirements with respect to insurance, bonding, construction permits, etc. are consistent with the requirements established by MHCRC Jurisdictions for utilities and all other similarly-situated street users (including contractors) performing construction in public rights-of-way (PROW). With this context in mind, the MHCRC submits the following detailed listing of the relevant insurance and bonding requirements of MHCRC-administered cable franchises:

The West Portland and East Portland cable franchises require:

- A certificate of insurance (or a statement of self-insurance) providing public liability and property damage insurance not less than \$200,000 for personal injury to each person, \$500,000 aggregate for each occurrence, and \$50,000 for each occurrence involving property damages, plus costs of defense; or a single limit policy of not less than \$500,000 covering all claims per occurrence, plus costs of defense. The limits of the insurance correspond to the maximum limits of liability imposed on municipalities of the State of Oregon under applicable state statutes addressing tort liability for state and local governments. The insurance is required to be equal to or better than commercial general liability insurance. West Portland franchise §13.2, East Portland franchise §15.2
- ➤ A faithful performance bond of Four Hundred Thousand Dollars (\$400,000.00) must be maintained by the cable operator throughout the term of the Franchise conditioned on the franchisee's performance of franchise requirements. The franchise allows substitution of a letter of credit or a Guaranty in Lieu of Bond from a specified corporate parent (the franchisee has currently elected to meet this requirement through the latter mechanism). West Portland franchise §13.3, East Portland franchise §15.3
- ➤ A construction bond, consistent with the construction bond required of all others performing construction in PROW during periods of active construction by the cable operator in City streets, in the sum of \$100,000. The same bond is required for street opening permits by all similarly situated street users or utilities. The bond is for the purpose of ensuring completion of planned the work in the PROW, as well as for ensuring adequate resources exist to enable the City to restore and repair the PROW should it become necessary due to any default in construction. West Portland franchise \$13.4, East Portland franchise \$15.4

The East Multnomah franchise requirements are different, reflecting different underlying policy choices among these jurisdictions. The franchise requirements are consistent with the requirements imposed on similarly-situated PROW users in the five East Multnomah MHCRC Jurisdictions:

➤ In §15.2(B), Commercial General Liability Insurance covering Bodily Injury and Property Damage, including Contractual Liability Insurance for the indemnity provided under the Franchise, and including the following:

•	Coverage	<u>Limit</u>
•	General Aggregate	\$2,000,000
•	Products-Completed Operations Aggregate	\$2,000,000
•	Personal & Advertising Injury	\$1,000,000
•	Each Occurrence	\$1,000,000
•	Fire Damage (Any on Fire)	\$50,000

- ➤ Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The combined Single Limit per occurrence must be not less than five hundred thousand dollars (\$500,000).
- A statement of self-insurance attesting to the specified level of coverage, subject to Jurisdiction approval, may substitute for the specified level of insurance (§15.2(G))
- ➤ In §15.3, a faithful performance bond of Four Hundred Thousand Dollars (\$400,000.00), maintained by the franchisee throughout the term of this Franchise, conditioned that the Grantee shall well and truly observe, fulfill and perform each term and condition of this Franchise. The franchise allows substitution of a letter of credit or a Guaranty in Lieu of Bond from a specified corporate parent (the franchisee has currently elected to meet this requirement through the latter mechanism)
- ➤ In §15.4, a construction bond during periods of active construction by the cable operator in Jurisdiction streets, in an amount customarily set by each east Multnomah Jurisdiction, or an irrevocable letter of credit, subject to Jurisdiction approval.

# XI. Construction Permits under MHCRC-Administered Cable Franchises

The MHCRC-administered cable franchises grant the cable operator rights of access to the PROW throughout MHCRC Jurisdictions for the purpose of providing cable television service. However, like all other utilities and street users, in order to enable the franchising authority to manage and coordinate street use, the cable operator is required to obtain necessary permits from the appropriate MHCRC Jurisdiction office, and pay the appropriate fees for such additional permits, before the cable operator may construction in the PROW in a particular instance. The provisions and applicable fees of construction permits are consistent within each of the MHCRC Jurisdictions, and in each instance assist the MHCRC Jurisdiction in carrying out the critical duty of coordinating the many conflicting uses that typically arise in connection with PROW management. West Portland franchise §14.1; East Portland franchise §16.1; East Multnomah franchise §16.1.

### **XII.** Enforcement Provisions and Remedies for Franchise Violations

The MHCRC-administered cable franchise agreements provide for substantially similar enforcement mechanisms, the means by which the MHCRC and its Jurisdictions are provided assurance that the cable operator will abide by its agreement. These mechanisms provide that various reasonable sanctions or remedies may be imposed by the MHCRC or the MHCRC

Jurisdiction, as applicable, in instances of franchise violations or defaults. MHCRC-administered remedies include potential financial penalties measured on an appropriate basis (by time, incident, or other measure) up to and including the ultimate sanction of franchise termination. However, MHCRC-administered franchises include reference to a standard of reasonability in all actions by the MHCRC and its Jurisdictions in connection with enforcement and remedies. The following provision, from the East Multnomah franchise, is typical of the standards of reasonability required of the MHCRC and its Jurisdictions in this area:

23.1 <u>Remedies for Franchise Violations</u>. (A)In determining which remedy or remedies are appropriate, the Jurisdictions shall consider the nature of the violation, the Persons burdened by the violation, the nature of the remedy required in order to prevent further violations, and any other matters the Jurisdictions deem appropriate.

Further specific guidance, and criteria, are also provided in Section 23.1 (C) of the same franchise:

(C) In determining which of the foregoing remedies is appropriate, and in the exercise of specific remedies, the Jurisdictions shall consider, among other things, (1) the nature and extent of the violation, (2) whether Grantee has had a history of similar violations, (3) the remedy that can be expected to deter such violations in the future, and (4) the damage suffered by the public and the cost of remedying the violation.

The standards of reasonability and the specific criteria for such determinations, as set forth in the foregoing franchise provisions, impose affirmative obligations on the MHCRC and its Jurisdictions in conjunction with any enforcement action or the imposition of any remedy. By these means, fundamental fairness is ensured for all. With these and related mechanisms, the MHCRC Jurisdictions have taken careful steps to ensure that compliance and enforcement of the various cable franchise requirements follow a process fully understood by, and fair to all parties. The remedies provisions in and of themselves automatically include due process provisions ensuring that the company receives adequate notice and an opportunity to cure any defaults the MHCRC may discover (*see further discussion of procedural provisions, below*). The MHCRC views these provisions as fundamental administrative tools, allowing all parties to know precisely how to proceed in the event of disputes. The provisions protect all concerned by ensuring an orderly process and the due consideration of all pertinent issues.

### XIII. Procedural Provisions of MHCRC Cable Franchises

Consideration and action by the MHCRC and its Jurisdictions on any penalties or remedies under MHCRC-administered franchises also trigger specific process protections for the cable operator. No franchise remedy or enforcement action can be imposed or assessed by the MHCRC or its Jurisdictions without the prior provision to the cable operator of specific procedural protections. These protections provide assurances of procedural fairness for the cable operator, and impose specific legal obligations on the MHCRC and its Jurisdictions. Such provisions include the following specific provisions:

- Notice and Opportunity to Cure. The cable operator must be given thirty days prior written notice identifying the specific issue and/or reasons for a proposed enforcement or remedies action before the MHCRC or its Jurisdictions can take such action under the franchise violations and remedies section. If the cable operator removes or otherwise "cures" the asserted violation constituting the stated reason within the thirty day notice period, or if cure is not reasonably possible within the notice period and the cable operator initiates good faith efforts to cure the asserted violation, then the MHCRC and its Jurisdictions are prohibited from exercising their rights under the remedies provisions.
- ➤ Minor Variances. The MHCRC may, upon request of the cable operator or on its own initiative, permit the cable operator to vary its manner of performance under the applicable cable franchise so long as the variance does not result in a substantial change in the franchise terms or a substantial reduction in the services required. The MHCRC has authorized several such minor variances over the life of its various franchises, such as:
  - Allowing the company to retain a reserved access channel in exchange for the inclusion of access programming in subscribers' on-screen and print television programming guides;
  - Extending the deadline to complete the Institutional Network (the MHCRC extended the deadline by one year); and
  - Extending the deadline for construction and activation of schools I-Net sites.
- ➤ <u>Alternative Dispute Resolution mechanisms</u>. The MHCRC franchises have specific provisions establishing both mediation and arbitration processes in the event of disagreements or disputes.
- ➤ <u>Jurisdictions required to be reasonable</u>. The franchises contain provisions requiring the MHCRC and the Jurisdictions to act reasonably under the circumstances in connection with discretionary acts under the applicable franchise agreements (e.g. giving of consent, approval or instructions, etc).
- Force Majeure. In the case of specified events not reasonably within the control of the parties (e.g. storms, floods, failure of utilities, insurrections or public disturbances, etc), the franchisee shall generally not be deemed to be in violation or default, so long as notice is provided and best efforts to remedy the situation are exerted.

# XIV. The MHCRC and the Coordinated Franchising Process throughout Multnomah County

The MHCRC was created in 1992 when the City of Portland agreed to consolidate its cable regulatory program and staffing with the already-existent (since 1982) joint cable regulatory program of Multnomah County and the cities of Gresham, Troutdale, Fairview, and Wood Village. While Multnomah County is the smallest County in Oregon, its total square miles encompass roughly one-third the size of the State of Rhode Island. The County's total population would place it among the twenty largest cities.

As stated in the Intergovernmental Agreement (IGA) which created the MHCRC,

"(t)he formation of a unified regulatory commission serves the public interest in that the boundaries of the Jurisdictions do not necessarily coincide with the service areas of the (cable operators), or with the needs of the citizens within each Jurisdiction or franchise, regarding cable communications. In addition, a unified commission can provide enhanced public benefits in franchising and regulation, and economies of scale in its operation."<sup>5</sup>

Under the IGA, the MHCRC negotiates and enforces cable franchise agreements entered into between the cable operator and the MHCRC Jurisdictions; manages the public benefit resources and assets derived from the franchises; and advocates on behalf of the public interest on communications policy issues at local, state and federal levels. The MHCRC serves the communities, residents and local governments of Fairview, Gresham, Portland, Troutdale and Wood Village and Multnomah County, Oregon (its member "Jurisdictions"). An overview of the MHCRC with links and documents setting forth the MHCRC's composition, programs, oversight responsibilities for cable franchises, and related documents and materials is available on the MHCRC's website at www.mhcrc.org.

A summary of the MHCRC's key cable regulatory responsibilities is as follows:

- Oversight of the various cable franchise agreements with the cable operator on behalf of MHCRC Jurisdictions. The Cable Franchise Agreements allow the cable operator all the necessary rights and privileges to use the public right-of-way to construct a cable communications system and to deliver services to subscribers.
- In exchange for providing the cable operator with valuable, long term access to the public right-of-way, the MHCRC negotiates provisions of the Cable Franchise Agreement in order to ensure that MHCRC Jurisdictions will have modern systems capable of serving future public needs and interests. The cable franchise agreements include provisions addressed to:
  - Franchise Fee Payment Requirements
  - Customer Service Standards
  - Insurance and Bonding Requirements
  - Technical Standards
  - Emergency Override Requirements
  - Line Extension Policies
  - Universal Service Issues
  - Community Access Channels and Capital Funding Requirements
  - Community Institutional Network (I-Net) Requirements

Under the IGA, while the MHCRC acts in an advisory capacity to the Jurisdiction in connection with any decision to grant a Cable Franchise Agreement for cable services, the MHCRC has full authority to take any action necessary to enforce or administer the cable franchise agreements.

<sup>&</sup>lt;sup>5</sup> Section 1, Mt. Hood Cable Regulatory Commission Intergovernmental Agreement (1992, amended 1998), <a href="http://www.mhcrc.org/docs/about">http://www.mhcrc.org/docs/about</a> intergovernmental agreement.pdf (visited February 6, 2006).

The MHCRC's approach to franchise issues has been based principally on the following objectives:

- Provide for responsible and efficient management of the public rights of way;
- Provide for the highest level of cable services within the jurisdictions of the MHCRC;
- Promote optimal competition among providers of cable services;
- Extend fair treatment to all providers of service;
- Ensure an appropriate level of compensation and public benefit from the use of the rights of way; and
- Utilize public input, the companies' proposals and staff expertise to develop recommendations for member Jurisdiction consideration.

# XV. Provisions Regarding Changes in the Law During the Term of the Cable Franchises

Our current franchises provide adequate means, in the MHCRC's view, to address any possible changes in law that might arise during the franchise term which could affect the rights or responsibilities of either party under the applicable franchise agreement. These provisions were mutually arrived at after negotiations by the MHCRC and the cable operator. Pursuant to these negotiated franchise provisions, the MHCRC Jurisdictions and the cable operator have agreed to address situations involving changes in the law under applicable franchise provisions as follows:

East Multnomah Franchise (East Portland franchise substantially similar)

### 18.2 Changes in Law or Unenforceability of Franchise Provisions.

- (A) The Jurisdictions and Grantee have entered into this Franchise under the federal and state laws in effect on the effective date of this Franchise. The Jurisdictions and the Grantee reserve the right to request modifications to this Franchise, under Section 18.2(B), to account for changes in the law during the term of this Franchise. The Jurisdictions and the Grantee also reserve the right to request modifications in this Franchise, under Section 18.2(B), if any provision of this Franchise becomes, or is declared, invalid or unenforceable.
- (B) Upon written notice from either party, the Jurisdictions and the Grantee may voluntarily agree, under Section 18.2(A), to participate in a non-binding mediation proceeding under Section 24.2 to mediate, in good faith, modifications to the terms and conditions of this Franchise. The written request shall specifically identify the particular reasons under Section 18.2(A) for the modification sought by the requesting party. In the mediation proceeding, the Jurisdictions and the Grantee shall attempt, in good faith, to agree to modifications to the Franchise so that the net rights and obligations of the Jurisdictions and the Grantee remain substantially the same after the modification, as they were prior to the events and circumstances leading to the mediation proceeding. If the Jurisdictions and Grantee are unable to successfully conclude the mediation within ninety (90) days from the date of the written notice requesting the mediation proceeding, the parties may agree to submit the matter to arbitration as set forth in Section 24.2.

West Portland franchise:

### 16.3 Modification in event of changes in law.

- (A) This Franchise has been entered into by the parties under terms of the Cable Communications Policy Act of 1984 and other federal and state laws in effect on the effective date of this Franchise. The City and the Grantee reserve the right to request modifications in the terms and conditions of this Franchise to account for changes in the law during the term of this Franchise.
- (B) Upon written notice from either party, the City and the Grantee shall voluntarily negotiate, in good faith, to modify the terms and conditions of this Franchise to account for changes in the law during the term of this Franchise. The purpose of the negotiations shall be to modify the Franchise so that the net rights and obligations of the City and the Grantee remain substantially the same after the modification, as they were prior to the events and circumstances leading to the arbitration proceeding. If the City and Grantee are unable to successfully conclude the negotiations within 90 days from the date of the written notice requesting the modification, the matter shall be submitted to negotiations as set forth in Section 22.2

# XVI. Franchise Applications by Competitive Cable Providers in MHCRC Franchise Areas

The MHCRC and its Jurisdictions were among the first in the nation to aggressively pursue facilities-based cable and broadband competition. The MHCRC and its Jurisdictions have been consistently active in seeking competitive applicants willing to bring real competition to bear in otherwise monopoly cable markets. The record of the MHCRC's actions toward this goal during a period of the nation's recent high tech "boom" is instructive<sup>6</sup>. During this period, the MHCRC had high hopes of attracting one or more providers willing to construct a facilities-based, competitive cable and broadband system in our area. A chronology of the efforts of the MHCRC and its Jurisdictions, and the progress of the various competitive "overbuilders" is revealing:

- Sept. 1999 The City of Portland issued a "Broadband RFQ" seeking new, competitive providers of high-speed Internet services, and/or cable and telecommunications services to residences
- Oct. 1999 More than ten companies respond to the Portland "Broadband RFQ", declaring interest in 'overbuilding' the (now-commonly-owned) AT&T Broadband cable systems; MHCRC expresses support and appoints liaison to Portland Broadband RFQ process
- Dec. 1999 Two facilities-based competitors, WideOpenWest ("WOW") and RCN, file formal franchise applications with MHCRC; seek to provide competitive cable and broadband services; concurrently a third competitor Open Access Broadband Networks (OAB) files a competitive application with the City of Portland

<sup>&</sup>lt;sup>6</sup> This chronology of the MHCRC's 1999-2001 competitive applicant process is, among other things, intended to respond to several of the questions set forth in ¶12 of the NPRM, including: "How many competitive franchises have potential new entrants requested to date? How much time, on average, has elapsed between the date of application and the date of grant, and during that time period, how much time, on average, was spent in active negotiations?"

JanFeb. 2000	MHCRC Jurisdictions authorize MHCRC to develop and recommend competitive franchises which may include cable, broadband, and telecommunications services; a fourth competitor, Western Integrated Networks (WIN) files formal franchise application
March 2000	MHCRC holds public hearing on all four facilities-based competitors: WOW, RCN, OAB and WIN franchise; public hearing carried live on cable TV and is webcast via Internet
Apr-June 2000	MHCRC team in 90 days negotiates mutually agreeable franchises with WOW, RCN, OAB, and WIN negotiators, each franchise provides for competitive cable, broadband, and telecommunications services in MHCRC franchise areas.
July 2000	MHCRC holds public hearing on RCN and WIN franchises, unanimously
August 2000	recommends approval by Jurisdictions (WOW requests postponement); RCN and WIN Franchises filed for consideration by MHCRC Jurisdictions; OAB withdraws Portland franchise application due to internal restructuring, WOW withdraws to concentrate on other markets with fewer direct competitors
Sept-Oct 2000	MHCRC Jurisdictions (except Portland, which awaited completion of Charter-required process) formally (and unanimously) approve recommended RCN and WIN franchises
Oct-Nov 2000	RCN begins construction in Portland after Portland City Council issues temporary construction permit pending completion of final franchise approval process under Portland Charter. RCN completes construction of 200 miles of aerial plant by year end 2000
Nov-Dec 2000	Early media reports begin to indicate severe financial downturn in financial markets may affect financing of high tech sector in general, and "overbuilders" in particular
Feb 2001	RCN halts construction, cites failure of financing
Mar-April 2001	WIN reports financing woes due to downturn in markets
By 2002	WIN & RCN franchises withdrawn at the companies' request due to failure of financing, MHCRC Jurisdictions regretfully approve franchise termination

**Postscript:** Sadly, at this writing the MHCRC, its Jurisdictions, and the competitive franchise applicants have thus far been unsuccessful in the effort to establish facilities-based competition here. It is important to be precise about the main reasons for this lack of current competition. It was not through any failure or obstacles in the local MHCRC-administered franchising processes, but primarily due to the downturn in investment capital arising from the collapse of

the high tech sector. The key elements of each competitive franchise, and the timeline in which they were negotiated, are instructive and ---it is hoped—helpful to the FCC as the FCC considers both the willingness and ability of local government franchise authorities to negotiate competitive cable and broadband franchise authorizations.

A summary of the key elements and process milestones of the competitive franchises we negotiated successfully with the four original applicants (WOW, RCN, OAB, WIN) would include the following:

- Although a public hearing process to gather public input preceded the negotiation process, and formal approval timelines by Jurisdiction elected bodies followed the negotiation process, all substantive franchise provisions were negotiated successfully and concurrently by MHCRC staff, on behalf of all six MHCRC Jurisdictions with four competitive broadband/cable overbuilders and mutually agreeable franchises were developed in little more than 90 days (April/May/June 2000);
- Each company agreed to build out its system in phases within five years to meet
  the equivalent density requirement already applicable to the incumbent cable
  operator; no redlining was authorized, the service area was consistent with the
  existing cable operator's service area throughout all MHCRC territory, and the
  five-year buildout requirement was considered attainable under the financing and
  penetration projections, and financing assumptions of the applicants at the time;
- The final franchise agreements pursued by the two competitive providers who elected to stay in the market (RCN and Western Integrated Networks or "WIN") were approved unanimously by all MHCRC Jurisdictions, and benefited from the public input and cooperation of all parties involved;
- The two franchise applicants who withdrew (Wide Open West and Open Access Broadband) after completing franchise negotiations did so for reasons unrelated to the MHCRC franchising process or the franchise requirements developed here;
- As a result of the prompt and successful conclusion to negotiations, all MHCRC
  Jurisdictions were ready and able to issue necessary permits, including temporary
  construction permits where necessary, so construction could begin without delay
  for any franchisee who so requested;
- If successful buildout had occurred, new competition would have been provided in the marketplace not only for the incumbent cable operator, but for the incumbent telephone companies as well (Qwest and Verizon are the dominant ILEC's in MHCRC territory);
- PEG cable access, and I-net requirements in each franchise were considered
  equivalent to the requirements already provided in the incumbent cable
  franchises; (the MHCRC was never challenged on this point by the incumbent
  cable operator);
- In each case, the franchise term was established at 10 years, with a 3-year extension if construction was completed on time;
- Open access was planned: all applicants committed to opening lines to third parties;

• Technology was planned as state of the art for its time (2000), 860 MHz, 100+ channels, services including video, plus high speed broadband Internet access and competitive telephony.

#### **XVII.** Conclusion

The local cable franchising process functions well in MHCRC franchise areas, including Multnomah County, and the Cities of Fairview, Gresham, Portland, Troutdale and Wood Village. As the above information indicates, we not only have the experience of many years in working with incumbent cable operators, but also recent experience with multiple competitive applicants. Our goal throughout is to see both that the needs of the local community are met and to ensure that the practical business needs of cable providers and potential competitors are taken into account.

The MHCRC's cable franchising processes are designed to ensure that local cable operators are allowed access to the rights of way in a fair and evenhanded manner, that other users of the rights of way are not unduly inconvenienced, and that uses of the rights of way, including maintenance and upgrade of facilities, are undertaken in a manner which is in accordance with local requirements. Local cable franchising also ensures that our local community's specific needs are met and that local customers are protected.

Local franchises provide a means for local government to appropriately oversee the operations of cable service providers in the public interest, and to ensure compliance with applicable laws. Local franchises also allow each community, including ours; to have a voice in how local cable franchise requirements will be implemented, and what features (such as PEG access, institutional networks or local emergency alerts, etc.) will be available to meet local needs. These factors are equally present for new entrants as for existing users.

Finally, as can be seen from our experience in 2000 with multiple cable/broadband competitors, our franchises are non-exclusive and our franchising processes can be swift yet fair to all (including providing the opportunity for public review and comment). Ultimately, the MHCRC is committed to doing everything reasonably possible to ensure that competitive franchises are promptly negotiated, and include terms and conditions that are reasonable and equitable for all concerned, including the MHCRC and its Jurisdictions, the public and cable subscribers, the incumbent cable and telephone companies, and the competitors who seek to bring the benefits of competition to our community.

We continue to look forward to the development of facilities-based competition in MHCRC Jurisdiction areas in the provision of cable services, as well as non-cable services. We will do everything in our power to expedite this process. As the record indicates, the MHCRC has already shown its ability to handle such applications promptly and fairly.

Therefore, the Mt. Hood Cable Regulatory Commission and its participating Jurisdictions respectfully request that the Commission do nothing to interfere with local government authority over franchising or to otherwise impair the operation of the local franchising process as set forth under existing Federal law with regard to either existing cable service providers or new entrants.

## Respectfully submitted,

# MT. HOOD CABLE REGULATORY COMMISSION

representing Multnomah County and the Cities of Gresham, Fairview, Portland, Troutdale and Wood Village, Oregon

By: David C. Olson, Director

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#### **EXHIBIT A to MHCRC NPRM Comments**

#### COMMUNITY ACCESS CAPITAL GRANTS

#### **GRANT PROJECT SUMMARY 2003-2005**

The Mt. Hood Cable Regulatory Commission created the Community Access Capital Grant program to promote the use and availability of advanced cable system technologies at low cost to the public and non-profit sectors to meet communication needs. By providing grants for capital costs, this program supports development of an interactive, multimedia information infrastructure through use of cable system technology that is accessible to all community organizations, local government agencies and citizens within Multnomah County, regardless of geographic location or economic status.

The Commission makes funds available annually through a competitive application process. The Grant funds projects that use the community access and/or I-Net capabilities of the cable system and that support the following public benefits: 1) reduce disparities of underserved communities; 2) improve community involvement in issues of importance to a community; 3) provide not-for-profit or public services or functions less expensively than traditional means; and/or 4) improve the delivery or increase the effectiveness of public or non-profit services to the general public or to targeted individuals, groups or organizations.

Grant Year 2003

Special Grant Request: Portland Public Schools: PTFP Project

Total Grant Funds: \$80,000

Contact Person: Mary Bastiani, 503-916-5191

Year Granted: FY02-03

Portland Public Schools (PPS) received a federal grant from PTFP (a Department of Commerce grant) in order to upgrade its video production and playback facilities to digital production and distribution technology. The total amount of the PTFP grant was \$381,546 with a PPS required match of \$177,225. Grant funds, applied as matching funds to the PTFP grant, will be used for purchasing and installing the equipment necessary to establish digitally based, non-broadcast telecommunications network distribution system facilities. PPS is a recognized leader in utilizing distance learning transport technology. The PPS non-broadcast system provides

instruction, staff development, and information to schools and residents in the City of Portland, Multnomah County, and the outlying tri-county metropolitan area. The MHCRC has a current grant to PPS for articulation of the Hola Hola curriculum to middle schools. Through the MHCRC grant, PPS is piloting a sixth grade curriculum for Hola Hola at several PPS middle schools this school year. In addition, the PTFP grant builds upon this pilot to provide the technical capabilities, infrastructure and scheduling flexibility to expand this curriculum availability to all PPS middle schools.

I-Net Grant Initiative Phase II: Multnomah County, Multnomah Education Service District, Portland Public Schools

Total Grant Funds: \$400,000

Contact Person: Julie Omelchuck, 503-823-4188

Year Granted: FY02-03

The Mt. Hood Cable Regulatory Commission (MHCRC) and Comcast continued its I-Net funding initiative to further support local schools, the City of Gresham, and Multnomah County in acquiring broadband data connections at excellent pricing. As a result of the Phase II funding allocation of \$400,000, the MHCRC has granted funds to approximately 51 stakeholder identified priority sites to access communications services being made available by ComNet (the City of Portland's network division) through the interconnection between the I-Net and IRNE. The initiative was designed to fund two primary aspects of connectivity: new I-Net fiber optic connections for stakeholder priority sites not yet connected to the I-Net and stakeholder edge devices to access I-Net/IRNE delivered services.

The City of Portland received \$7,920 for a site connection and edge device for the North Portland Neighborhood Association.

Portland Public Schools received \$52,718 for edge devices. The following PPS sites were recipients of this funding initiative:

- James John Elementary
- Vernon Elementary
- Clark Elementary
- Ainsworth Elementary
- Alameda Elementary
- Binnsmead Middle
- DaVinci Middle
- Fernwood Middle

- George Middle
- Gregory Heights Middle
- Hosford Middle
- Jackson Middle
- Kellogg Middle
- Lane Middle
- Mt Tabor Middle
- Ockley Green Middle

- Portsmouth Middle
- Sellwood Middle
- Tubman Middle

- Whitaker Lakeside Middle
- Gray Middle
- Youngson Elementary School

Multnomah Education Service District (MESD) received \$122,056 for site connections and \$35,985 for edge devices for a total of \$158,041. The following MESD sites were recipients of this funding initiative:

- Center for Advance Learning
- Fir Ridge
- Butler Creek
- East Campus
- Hartley
- Troutdale
- Fairview
- Davis

- Parkrose District Office
- Alder
- Parkrose High School
- Lincoln Park
- Lynch View
- Gilbert Park
- Pleasant Valley

Multnomah County received \$120,804 for site connections and \$33,586 for edge devices for a total of \$154,390. The following Multnomah County sites were recipients of this funding initiative:

- Multnomah County Bridge Shop
- Mutnomah County Inverness Jail
- Co. Human Service Mid-County Office
- Gateway Children's Campus
- Co. Human Services West Office
- Co. Human Services SE Office
- Vector Control

- Dexco Bldg
- Health Marlene Bldg
- Co. Human Service ADS North Office
- Animal Services
- Health Rockwood Clinic
- DCJ InterChange
- Medical Examiner's Office

### Oregon Public Broadcasting: Digital Media Distribution Project

Total Grant Funds: \$145.318

Contact Person: Marion Rice, 503-293-1909

Year Granted: FY02-03

This grant will provide already existing educational Oregon Public Broadcasting (OPB) & Public Broadcasting Systems (PBS) programming to classrooms via a specialized network media box that delivers programming through the I-Net. This project will address the fact that currently, schools in the East County area do not have media library services that include educational videos.

Project partners for the grant include Multnomah Education Service District, Portland Public Schools. Matching resources for the project total \$590,364.

Portland Public Schools Television Services: Media Graphics Generator

Total Grant Funds: \$16,383

Contact Person: William Brosseau, 503-916-5838

Year Granted: FY02-03

The grant will help Television Services replace its outdated graphics generator with a new media graphics generator in order to provided higher quality programming via Portland Public Schools' Cable Channel 28. The new unit will combine the World Wide Web, computer graphics and internally created graphics in a digital quality format to enhance the aesthetic quality of cablecasts and increase the amount of programming produced for Cable Channel 28.

Project partners for the grant include Portland Public Schools. Matching resources for the project total \$22,551.54.

Oregon Film & Video Foundation/Hollywood Theatre Project: "Live from the Hollywood

Theatre: Original Programming for Community Access via the I-Net"

Total Grant Funds: \$151,261.95

Contact Person: Richard Beer, 503-493-1128

Year Granted: FY02-03

The grant will allow Hollywood Theatre to become a programming origination site for local productions and distribute the programming on the cable system via the I-Net and the community access channels. The grant addresses the lack of affordable production facilities for recording and televising local events in the Portland Metropolitan area. The equipment requested will give the Hollywood site the technical capacity to do quality video productions and will expand the educational and cultural outreach of the Oregon Film & Video Foundation through media arts technology, specifically by creating the capability for live origination programming for community access channels via I-Net connectivity.

Project partners for the grant include Portland Cable Access, Audio-Visual Headquarters, H.P. Lovecraft Film Festival, Tapestry Theatre Company, Hollywood Senior Center, Tobacco Prevention Program. Matching resources for the project total \$152,144.

Grant Year 2004

Portland Community College: "The Portland Region Higher Education Network"

Total Grant Funds: \$187,906

Contact Person: Kristen Watkins, 503-977-4696

Year Granted: FY03-04

The project will improve and expand higher education distance learning services to residents throughout Multnomah County via the PCC Educational Access Channel on cable television. The grant addresses area residents' need for accessible alternative options for educational services and in increasing demand for distance learning opportunities. The equipment requested will allow PCC to expand the number of programs and the types of programs that residents can access on PCC's Educational Access Channel (EAC) by developing new telecourses and creating an innovative Portland Region Higher Education Network in partnership with all PCC campuses, Portland State University, and Mt. Hood Community College; broaden the PCC EAC into all Multnomah County; and upgrade the technical quality of PCC EAC's program delivery to remove barriers to learning.

Project partners for the grant include PCC campuses, Portland State University, and Mt. Hood Community College. Matching resources for the project total \$318,127.

Reynolds High School: "News Production"

Total Grant Funds: \$17,689.32

Contact Person:

Teresa Osborne

Year Granted:

FY03-04

During the 1999-2000 school year, Reynolds High School created a Media & Society class,

focused primarily on media analysis. In developing the class curriculum a partnership with

Multnomah Community Television (MCTV) was formed to give students exposure to video

technology. A 2002 Community Access Capital Grant award provided equipment for students to

produce stories to air on MCTV's news show, East Metro Community News. The equipment

requested will enhance filming and editing capabilities in order to expand and continue these

opportunities for students.

Project partners for the grant include Multnomah Community Television. Matching resources

for the project total \$18,615.

Oregon Historical Society: "Multnomah County Portraits: Youth Documenting Their

Community"

**Total Grant Funds:** 

\$26,334

Contact Person:

Nancy Nusz, 503-306-5291

Year Granted:

FY03-04

The Oregon Historical Society Folklife Program has been the state's official traditional arts and

folklife program since its inception in 1988. It documents, presents and encourages the

preservation of the traditional arts and cultural heritages of all people living in the state through

community partnerships, outreach, public programs, education and archives maintenance. The

grant will enable the Folklife Program to work with a student population (Roosevelt High

School) with a high dropout rate to increase their academic achievement and success in the

learning environment through research, study and documentation of their culture and traditions.

The equipment requested will provide the tools needed for urban Latino youth to document their

families' and communities' traditions using the latest digital video technologies.

Project partners for the grant include Roosevelt High School. Matching resources for the project

total \$27,685.

Gresham Fire & Emergency Services: "Gresham Emergency Management Video

Awareness"

**Total Grant Funds:** 

\$37,439

Contact Person:

Gene Juve, 503-618-2425

Year Granted:

FY03-04

This two year grant will help Gresham Emergency Management (GEM) to educate residents of

East Metro and the Portland area about emergency preparedness and how to respond in the event

of an emergency. In collaboration with Multnomah Community Television, GEM will produce a

monthly series of television programs that will use video collected from actual emergencies that

take place in the East Metro area to both train service providers and to educate the public.

Project partners for the grant include Multnomah Community Television. Matching resources

for the project total \$39,439.

Portland Community Media: "Oregon Learning Lab for Information Education"

**Total Grant Funds:** 

\$218,374

Contact Person:

Carl Kucharski, 503-288-1515

Year Granted:

FY03-04

The Oregon Learning Lab for Information Education (OLLIE) will enhance service delivery of

educational multimedia resources to Multnomah County middle and high schools, community

organizations, senior centers, community centers, and libraries. Grant funds will be used to

purchase a mobile van equipped with computers, camcorders, projectors, sound system, and

accessories. OLLIE is based on a pioneering and proven program based in Grand Rapids,

Michigan; MoLLIE is a mobile learning lab loaded with equipment and skilled guides, capable

of traveling to schools and neighborhood programs with no other access to these resources.

Project partners for the grant include Multnomah Community Television. Matching resources

for the project total \$436,796.

Ethos, Inc., Nonprofit Music Center: "Sound School Assemblies"

Total Grant Funds:

\$127,282

Contact Person:

Charles Lewis, 503-28-ETHOS

Year Granted:

FY03-04

Grant funds will be used to bring interactive music education performances to students in

Multnomah County through cable access programming. By professionally filming and

producing school assemblies, master musician workshops, and community music events, Ethos

will provide music education programs to many Multnomah County schools.

Project partners for the grant include Portland Public Schools, The Portland Rose Festival,

Americorps, and Portland Community College. Matching resources for the project total

\$221,715

Portland Public Schools, District No. 1: "Public Telecommunications & Facilities Program

(PTFP)/Hola...Hola Middle School Completion Project"

**Total Grant Funds:** 

\$20,907

Contact Person:

Mary Bastiani, 503-916-5191

Year Granted:

FY03-04

The project proposes to increase middle students' access to high-quality and articulated Spanish

language curriculum delivered through cable system distance learning technology, and to

increase participating students' proficiency in the Spanish language and culture. Grant funds

will be use to complete the work already underway to upgrade antiquated PPS Television

Services video production and playback facilities and establish a digital production and

distribution system and to expand upon the pilot model at six middle schools. Specifically, funds

will assist the school in purchasing television sets and wallmounts for sixth grade classrooms.

Matching resources for the project total \$49,951.

I-Net Grant Initiative Phase III: Mt. Hood Community College, Multnomah County, Multnomah Education Service District, Portland Public

Schools, City of Portland

**Total Grant Funds:** 

\$260,000 (Grant funds and I-Net Capital funds)

Contact Person:

Julie Omelchuck, 503-823-4188

Year Granted:

FY03-04

The Mt. Hood Cable Regulatory Commission (MHCRC) and Comcast continued its I-Net funding

initiative to further support local schools, community colleges, the City of Portland, and

Multnomah County in acquiring broadband data connections at excellent pricing. As a result of the Phase III funding allocation of \$260,000, the MHCRC has granted funds to approximately 24 stakeholder identified priority sites to access communications services being made available by ComNet (the City of Portland's network division) through the interconnection between the I-Net and IRNE. The initiative was designed to fund two primary aspects of connectivity: new I-Net fiber optic connections for stakeholder priority sites not yet connected to the I-Net and stakeholder edge devices to access I-Net/IRNE delivered services.

The City of Portland received \$9,969 for a site connection and edge device for the Eastside CSO.

Portland Public Schools received \$23,990 for edge devices. The following PPS sites were recipients of this funding initiative:

- Atkinson Elementary
- Astor Elementary
- Beach Elementary
- King Elementary
- Abernethy Elementary

- Applegate Elementary
- Kelly Elementary
- Sabin Elementary
- Sunnyside Elementary
- Skyline Elementary

Multnomah Education Service District (MESD) received \$72,011 for site connections and \$14,394 for edge devices for a total of \$86,405. The following MESD sites were recipients of this funding initiative:

- Wilkes
- Prescott
- Russell

- Sacramento
- Shaver
- Hollydale

Multnomah County received \$10,534 for site connections and \$11,995 for edge devices for a total of \$22,529. The following Multnomah County sites were recipients of this funding initiative:

- Woodstock Library
- North Portland Library
- Banfield Warehouse
- Sheriff's Warehouse
- DA Gresham Court

Mt. Hood Community College received \$2,720 for a site connection and edge device for the Allied Health Center.

Grant Year 2005

Portland Art Museum, Northwest Film Center: "Service Learning Center"

Total Grant Funds: \$99,121

Contact Person: Ellen Thomas, 503-276-4263

Year Granted: FY04-05

The Portland Art Museum Northwest Film Center is creating and administering a Service Learning Center, a new initiative of the Center's *School of Film* and *Young Filmmakers*Program. The program will use digital moving image media, one of the most pervasive influences in the lives of our youth, to foster positive self-expression, academic performance and civic engagement with 180 teenagers.

Project partners include: New Avenues for Youth, Inc., Lincoln High School, and Portland State University.

Matching resources for the project total \$173,870.

Housing Authority of Portland: "I-Net Connected Computer Lab and Career Center at the New Columbia Life Long Learning Center"

Total Grant Funds: \$134,985

Contact Person: John Keating, 503-802-8522

Year Granted: FY04-05

The Housing Authority of Portland (HAP) is currently engaged in the largest neighborhood revitalization project ever undertaken in Oregon's history. Columbia Villa's 400 World War II-era homes on 82 acres in North Portland were demolished and are being replaced by a mixed-income community of 850 households, known as New Columbia. At the heart of the new neighborhood, HAP has set aside space for a Life Long Learning Center to serve the residents of New Columbia and the surrounding North Portland neighborhood. HAP will use grant funds to construct Institutional Network (I-Net) infrastructure to greatly improve the capability of the Life Long Learning Center to serve low-income residents. The center will provide training and educational resources to assist residents in achieving economic stability and a greater sense of self sufficiency.

Project partners for the grant include Portland Community College and Portland State University.

Matching resources for the project total \$409,242.

Portland Public Schools, Television Services: "Studio Cameras"

Total Grant Funds: \$73,149

Contact Person: William Brosseau, 503-916-5838

Year Granted: FY04-05

Portland Public Schools – Television Services (TVS) received funds to improve the quality and quantity of productions it creates for Cable Channel 28. TVS will purchase new studio cameras for the production studio. TVS hopes that improving studio camera technology they will be able to produce more studio programs for viewers of Cable Channel 28, while maintaining remote productions with the current mobile cameras.

Matching resources for the project total \$86,508.

**Technical Assistance for Community Services: "Domestic Violence Integration"** 

Total Grant Funds: \$89,400

Contact Person: Margaret Mahoney, 503-239-4001

Year Granted: FY04-05

Technical Assistance for Community Services (TACS) proposed to implement a dynamic web site and an intranet for domestic violence providers in Multnomah County to access via the Institutional Network (I-Net). TACS will link the Multnomah County Domestic Violence providers in an intranet, create online training tools to support staff implementing the federally mandated Homeless Management Information System (HMIS) data reporting system, and ensure domestic violence providers have means to access the Internet.

Project partners for the grant include Multnomah Domestic Violence Providers, Multnomah County.

Matching resources for the project total \$90,000.

International Foundation for Alternative Research in AIDS: "Bringing Healthcare

# Programming to the Community"

Total Grant Funds: \$128,573

Contact Person: Fred Schaich, 503-736-0194

Year Granted: FY04-05

The International Foundation for Alternative Research in AIDS (IFARA) has been conducting meetings, forums, and conferences as well as producing video, audio and print educational materials for people living with HIV/AIDS and providers of medical services since its beginning in 1992. IFARA will improve its service delivery of healthcare programming to the community by purchasing mobile video production equipment so that it has the flexibility to produce videos on-site of the events.

Project partners for the grant include Portland Community Media. Matching resources for the project total \$237,137.

KBOO Community Radio: "Multimedia Youth Activism"

Total Grant Funds: \$26,406

Contact Person: Judy Fiestal, 503-248-1963

Year Granted: FY04-05

KBOO Community Radio will use young people as media consultants to develop a youth-created curriculum that can quickly provide young people the basic skills necessary to create their own media. This project is based on a successful youth program using radio. Through a partnership with the Multnomah Youth Commission, youth will use their videos as advocacy tools to create

positive change and civic engagement in their communities. Grant funds will fund a mobile media station that would provide training, support and access to the tools.

Project portrops for the grant include Youth Inneversion Fund of Portland, Multipomeh Youth

Project partners for the grant include Youth Innovation Fund of Portland, Multnomah Youth Commission, and Commission on Children, Families and Community of Multnomah County. Matching resources for the project total \$51,000.